

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

O3 Industries Incorporated,

Debtor.

Adv. No.:14-06031
Bky. Case No. 14-60439
Chapter 7

NOTICE OF SETTLEMENT OR COMPROMISE

To: The United States Trustee, all creditors and other parties in interest.

On, **April 11, 2015** or as soon thereafter as the transaction may be completed, the undersigned Trustee of the estate of the Debtor named above will settle a controversy as follows:

Precision Machine Rebuilding, Inc. ("Precision") was a longtime vendor of the debtor. In April of 2014, the debtor was planning on closing its business operations and owed Precision in excess of \$35,710.13. Dustin O'Konek Jr, as vice president of the debtor arranged for transfer of machinery and equipment valued to Precision in excess of the debt owed to Precision in April of 2014. The trustee filed Adv. Proceeding No. 14-06031 alleging that the transfer of the machinery and equipment was an avoidable preference and sought to recover the value of the transfer. Precision filed an answer to the trustee's complaint alleging affirmative defenses. The trustee and Precision Machine Rebuilding, Inc. have reached an agreement whereby Precision will pay the trustee \$4,000 in settlement of all causes of action identified in the complaint. The trustee believes the settlement is in the best interest of the estate.

The trustee has already received payment. If this agreement is not approved by the bankruptcy court, the Trustee and Precision Machine Rebuilding shall be entitled to reassert any and all claims and defenses.

OBJECTION: MOTION: HEARING. Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee and be filed with the clerk, not later than 12:00 o'clock noon on the day before the above date. If any objection is made or an order is required, the trustee moves the court for such orders as may be necessary and appropriate. If an objection is timely delivered and filed, the court will hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee with notice by the trustee to the objecting party and the U. S. Trustee.

Clerk of Court
United States Bankruptcy Court
404 U.S. Courthouse
515 W First St.
Duluth, MN 55802

United States Trustee
1015 U S Courthouse
300 So. 4th St.
Minneapolis, MN 55415

Trustee
(See address below)

Dated: March 15, 2015

/e/ Erik A. Ahlgren
Erik A. Ahlgren, Trustee
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Fergus Falls, MN 56537
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trustee@prtcl.com